

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6594

BILL NUMBER: HB 1285

NOTE PREPARED: Feb 26, 2003

BILL AMENDED:

SUBJECT: Distribution of Infraction Penalties.

FIRST AUTHOR: Rep. Austin

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (A) It provides that 10% of all monetary judgments collected for seat belt violations is deposited in a dedicated police and fire equipment fund.
- (B) It requires that money in the fund must be used for the purchase, improvement, and repair of police and fire equipment.
- (C) It provides that 45% is deposited in the county, city, or town general fund and the remaining 45% is deposited in the state General Fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* The revenue loss to the state General Fund is estimated to be \$1.278 M. Under current law, all infraction judgments for seatbelt violations are deposited in the state General Fund under IC 34-28-5-5(c). This bill proposes that only 45% of the infraction judgments for seat belt violations would be deposited in the state General Fund.

Background: The estimated revenue loss to the state General Fund is based on approximately 93,000 guilty citations for seat belt violations for the 12-month period ending September 2002. The maximum judgment for a Class D infraction is \$25, which is deposited in the state General Fund. Assuming a 100% compliance rate for paying the \$25 judgement, the state General Fund currently receives an estimated \$2,325,000. If the state General Fund would only receive 45% of this payment, the revenue loss to the state would be \$1,278,750

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill is estimated to increase local revenues by \$1.278 M. Two funds at the local level would receive additional monies. The county general fund would receive 45% of all seat belt infraction revenues (about \$1.04 M), while the remaining 10% would be deposited in a police and fire equipment fund which this bill would require each county to establish by ordinance.

State Agencies Affected: State Auditor.

Local Agencies Affected: County fiscal bodies.

Information Sources: Bureau of Motor Vehicles' data.

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